



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

73208

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

FEB 17 2000

OST-99-6410-40

Mr. Robert G. Evacko
13423 Pimlico Ct.
Bakersfield, CA 93312

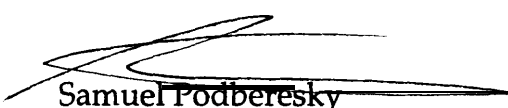
Dear Mr. Evacko:

The White House has asked me to respond to your e-mail of October 9, 1999, concerning the airlines' commission cuts. The American Society of Travel Agents (ASTA) has recently filed a complaint with this Department against a number of airlines (Docket OST-99-6410). ASTA alleges that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices and unfair methods of competition in violation of 49 U.S.C. §41712.

The airlines filed their responses to ASTA's complaint on December 10. It is now up to the Enforcement Office to review the complaint and responses and determine whether, under our statute, the complaint should be pursued or dismissed. Under these circumstances, it would be inappropriate for me to comment on the substance of your letter. You can track the pleadings as well as the Department's actions through our Dockets web site at <http://dms.dot.gov>. Clicking on "search" and then typing "6410" in the space for the docket number and again clicking on "search" will bring up a list of all documents in the docket. Each item can be opened.

The Department's *ex parte* rules, 14 CFR Part 300, require that I place your letter and a copy of this reply in Docket OST-99-6410. Please be assured that ASTA's complaint will receive careful and thorough consideration.

Sincerely,


Samuel Podberesky
Assistant General Counsel for
Aviation Enforcement and Proceedings

DEPT. OF TRANSPORTATION
DOCKETS
00 FEB 29 PM 12:11

Light ~~FAA~~ DOT *W*

From: "Robert G. Evacko" <mevacko@lightspeed.net> on 1 0/09/99 01:32 AM GMT

To: President@gateway
cc:
Subject: Commission controls by major airlines

[Connection Information]

CLIENT: 209.165.0.239 [209.165.0.239]
BROWSER: Mozilla/4.0 (compatible; MSIE 4.01; Windows 98)
URL: http://www.whitehouse.gov/WH/Mail/html/Mail_President.html

[Sender Information]

PERSONAL-NAME: Robert G. Evacko
EMAIL-ADDRESS: mevacko@lightspeed.net
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RELATIONSHIP:
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CITY: Bakersfield
STATE-PROVINCE: California
ZIP-CODE: 93312
COUNTRY:

[Message Information]

PURPOSE: Seek assistance from the White House
TOPIC: Commerce
AFFILIATION: Professional
SUBJECT: Commission controls by major airlines

[Message]

The major airlines have initiated commission reductions and caps that **directley** affect Travel Professionals. 7 Oct 99
United Airlines took the most recent action further reducing commissions paid to travel agencies. This reduction is from 8 % to 5 % of the non tax cost of the airline ticket. This 3 % reduction does not seem to be a large amount but when you consider the actual reduction of income to the Travel Agency is 37.5% of gross income, the numbers start getting your attention. As an employee of Stockdale **Argos** Travel, Bakersfield, Ca, this equates to a reduction of approximately 25% of my pay. I am a full time employee but my income is based on commissions generate.

I am financially stable, my wife works and I have a pension from the USAF. Many of my **colleagues** are not as fortunate. Most travel agents are women, single mothers, sole providers or

important supplemental earners.

In the agency vs. airline actions I have observed the David and Goliath syndrome. Agencies are not a single cohesive organization. When agencies try to band to **gether** they are found to be performing illegally and their voice is smothered. One agency cannot afford to go against the deep pockets of the airlines in the area of legal actions.

The airlines have developed an excellent ticket distribution system through travel agencies. By reducing commissions paid to travel agencies they are making it non-profitable for the travel agency community to issue airline tickets. This is a **dis-service** to the travel agency community as well as to the traveler himself.

Travel agencies provide the traveler with alternatives. An individual calls for an air rate and a Travel Agent will compare prices of all airlines to get the traveler the best rate. If the traveler calls the airline directly he is only offered what that airline has even if another airline has a better rate.

I am not against profits. I feel the airlines are taking an immoral action by placing the burden of the cost of distribution of airline tickets on the Travel Agency Community as well as the Air Traveler instead of the airlines paying a fair share of the cost of distribution.

I personally have seen the inability of the Travel Agency Community to resolve this issue. Profit is not a dirty word. I also am entitled to a fair return for my professional efforts.

Please help.

ROBERT G. EVACKO

Travel Consultant 12 years experience